

CITY OF NORTH LITTLE ROCK, ARKANSAS
Commerce Department
Mary Beth Bowman, Director
Amy Smith, Assistant Director for Procurement
Crystal Willis, Administrative Secretary/Purchasing Assistant



120 MAIN STREET
P.O. BOX 5757
NORTH LITTLE ROCK, AR 72119
501-975-8881 Phone
501-975-8885 Fax

INVITATION TO BID

RFP Number: _____ 15-3364 _____ Date Issued: _____ Monday, October 26, 2015

Date & Time of RFP Opening: _____ Monday, November 16, 2015 at 10:00 a.m.

RFP NOTICE

PROFESSIONAL AUDIT SERVICES FOR:

January 1, 2015 to December 31, 2015

January 1, 2016 to December 31, 2016

January 1, 2017 to December 31, 2017

Plans and specifications may be examined at:

- Commerce Department, 120 Main, North Little Rock, Arkansas
- www.northlittlerock.ar.gov

Please direct questions and/or comments to Karen Scott, Finance Director at 975-8802.

Note: FAILURE TO FILL OUT AND SIGN THE INVITATION TO BID SHEET WILL RESULT IN REJECTION OF THE BID.

EXECUTION OF BID

Upon signing this page, the organization certifies that they have read and agree to the requirements set forth in this RFQ/RFP/BID including conditions set forth and pertinent information requests.

Name of Firm: _____ Phone No.: _____

Arkansas Tax Permit No.: _____

Business Address: _____

Signature of Authorized Person: _____

Title: _____ Date: _____, 2015

UNSIGNED PROPOSALS WILL BE REJECTED.

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REQUEST FOR PROPOSALS
City of North Little Rock, Arkansas

PROFESSIONAL AUDIT SERVICES

ALL FUNDS:

January 1, 2015 to December 31, 2015	\$ _____
January 1, 2016 to December 31, 2016	\$ _____
January 1, 2017 to December 31, 2017	\$ _____

- A. General Fund
- B. Street Fund
- C. Parks and Recreation Fund
- D. Equitable Sharing Fund
- E. Drainage Improvement Fund
- F. Non-Uniform Pension Fund
- G. North Little Rock Airport
- H. Advertising and Promotion
- I. Community Development Agency
- J. Capital Improvement Fund
- K. Sales Tax Capital Improvement Fund
- L. Any Other Related Funds

PREPARE AUDIT OF ABOVE FUNDS AND DELIVER DRAFT REPORT BY JULY 31ST OF EACH YEAR.

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After the Electric, Utilities Accounting, Library and Waste Water audits are completed by separate auditors, combine all funds into a single audit report to satisfy requirements of the single audit act.

The audit of the Community Development Agency should be prepared in a form to meet the requirements of HUD.

Audit of the following fund:

NORTH LITTLE ROCK ELECTRIC

January 1, 2015 to December 31, 2015 \$ _____

January 1, 2016 to December 31, 2016 \$ _____

January 1, 2017 to December 31, 2017 \$ _____

(Prepare this audit and deliver report by May 30th of each year)

Audit of the following fund:

UTILITIES ACCOUNTING DEPARTMENT

January 1, 2015 to December 31, 2015 \$ _____

January 1, 2016 to December 31, 2016 \$ _____

January 1, 2017 to December 31, 2017 \$ _____

(Prepare this audit and deliver report by May 30th of each year)

TOTAL FOR ELECTRIC AND UTILITIES ACCOUNTING DEPARTMENT

January 1, 2015 to December 31, 2015 \$ _____

January 1, 2016 to December 31, 2016 \$ _____

January 1, 2017 to December 31, 2017 \$ _____

PROPOSAL GUIDELINES

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I. GENERAL INFORMATION

A. PURPOSE

This Request for Proposal (RFP) is to contract for a financial and compliance audit for the years ending December 31, 2015, December 31, 2016, and December 31, 2017.

Professional Services to perform audits of the following funds:

1. General Fund
2. Street Fund
3. Parks and Recreation Fund
4. Equitable Sharing Fund
5. Drainage Improvement Fund
6. Non-Uniform Pension Fund
7. North Little Rock Airport
8. Advertising and Promotion
9. Community Development Agency
10. Capital Improvement Fund
11. Sales Tax Capital Improvement Fund
12. Any Other Related Funds

After the Electric, Utilities Accounting, Library, and Waste Water audits are completed by separate auditors, combine all funds into a single audit report to satisfy requirements of the Single Audit Act. The audit will be prepared in a manner to meet the requirements of all relevant GASB pronouncements.

The audit of the Community Development Agency should be prepared in a form to meet the requirements of HUD.

B. Who May Respond

Only licensed Certified Public Accountants may respond to this RFP.

C. Instructions on Proposal Submission

1. Closing submission date

Proposals must be submitted no later than 10:00 a.m., Monday, November 16, 2015.

2. Inquiries

3. Conditions of Proposal

All cost incurred in the preparation of a proposal responding to this RFP will be the responsibility of the Offeror and will not be reimbursed by the City of North Little Rock.

4. Instruction to Prospective Contractors

Your proposal should be addressed as follows:

Ms. Mary Beth Bowman
Commerce Department
City of North Little Rock
120 Main Street
P.O. Box 5757
North Little Rock, Arkansas 72119

It is important that the Offeror's proposal be submitted in a sealed envelope clearly marked in the lower left-hand corner with the following information:

Request for Proposal
Monday, November 16, 2015 at 10:00a.m.
Sealed Bid For Audit Services

Failure to do so may result in premature disclosure of your proposal.

It is the responsibility of the Offeror to ensure that the proposal is received by the City of North Little Rock, Commerce Department by the date and time specified above.

5. Right To Reject

The City of North Little Rock reserves the right to reject any and all proposals received in response to this RFP. A contract for the accepted proposal will be based upon the factors described in this RFP.

6. Small and/or Minority-Owned Businesses

Efforts will be made by the City of North Little Rock to utilize small businesses and minority-owned businesses.

An Offeror qualifies as a small business firm, if it meets the definition of "small business" as established by the Small Business Administration (13 CFR 121, 3-8), by having average annual receipts for the last three fiscal years of less than four million dollars.

7. Notification of Award

It is expected that a decision selecting the successful audit firm will be made within four (4) weeks of the closing date for the receipt of proposal. Upon conclusion of final negotiations with the successful audit firm, all Offeror submitting proposals in response to this Request for Proposal will be informed, in writing, of the name of the successful audit firm.

It is expected that the contract shall be three one-year fixed price contracts.

II SPECIFICATION SCHEDULE

A. Scope of a Financial and Compliance Audit

The purpose of this RFP is to obtain the services of a public accounting firm, whose principal officers are independent certified public accountants, hereinafter, referred to as the "Offeror" to perform a financial and compliance audit of the City of North Little Rock.

Governmental Audit Standards - Standards for Audit of Governmental Organizations, Programs, Activities, and Functions (1988 Revision), states on page 2-1:

Financial statement audit determine (1) whether the financial statements of an audited entity present fairly the financial position, results of operations, and cash flows or changes in financial position in accordance with generally accepted accounting principles, and (2) whether the entity has complied with laws and regulations for those transactions and events that may have a material effect on the financial statements.

B. Performance

The City of North Little Rock's records should be audited through December 31, 2015, December 31, 2016, and December 31, 2017. The Offeror is required to prepare audit reports in accordance with the Government Audit Standards - Standards for Audit of Governmental Organizations, Programs, Activities, and Functions (1988 Revision), and any other pertinent requirements that the Offeror must comply with, such as specific audit guides or specific state funding source requirements.

C. Delivery Schedule

Offeror is to transmit one copy of the draft audit report to the City of North Little Rock's Finance Director. The draft audit report is due on July 31st of each year.

Reports may be submitted earlier than the above schedule. However, if the Offeror fails to make delivery of the audit reports within the time schedule specified herein, or if the Offeror delivers audit reports which do not conform to all of the provisions of this contract, the City of North Little Rock may, by written notice of default to the Offeror, terminate the whole or any part of this contract.

After the Electric, Utilities Accounting, Library, and Waste Water audits are completed by separate auditors, the Offeror will combine all funds into a single audit report to satisfy requirements of the Single Audit Act. The Offeror shall deliver thirty (30) bound copies and one electronic Final Audit Reports to the Finance Director within (30) days after all reports are available.

The audit of the Community Development Agency should be prepared in a form to meet the requirements of HUD.

D. Price

The Offeror's total proposed price should be submitted.

E. Payment

Payment will be made when the City of North Little Rock has determined that the total work effort has been satisfactorily completed. Should the City of North Little Rock reject a report, the City's authorized representative will notify the Offeror in writing of such rejection giving the reason(s). The right to reject a report shall extend throughout the term of this contract and for ninety (90) days after the Offeror submits the final invoice for payment.

Progress payments will be allowed to the extent that the City of North Little Rock can determine that satisfactory progress is being made.

Upon delivery of the thirty (30) bound copies and one electronic copy of the final reports to the City of North Little Rock and their acceptance and approval, the Offeror may submit a bill for the balance due on the contract for the audit.

- F. All audit reports prepared under this contract will be reviewed by the City of North Little Rock and its funding sources to ensure compliance with General Accounting Officer's (GAO) Government Audit Standards - Standards for the Audit of Governmental Organizations, Programs, Activities, and Functions and other appropriate audit guides.

- G. Exit Conference

An exit conference with the City of North Little Rock's representatives and the Offeror's representatives will be held at the conclusion of the field work.

Observation and recommendations must be summarized in writing and discussed with the City of North Little Rock. It should include internal control and program compliance observations and recommendations.

- H. Work Papers

1. Upon request, the Offeror will provide a copy of the work papers pertaining to any questioned costs determined in the audit. The work papers must be concise and provide the basis for the questioned costs, as well as an analysis of the problem.
2. The work papers will be retained for at least three (3) years from the end of the audit period.
3. The work papers will be available for examination by authorized representatives of the cognizant Federal or State Audit Agency, the General Accounting Office, and the City of North Little Rock.

- I. Confidentiality

The Offeror agrees to keep the information related to all contracts in strict confidence. Other than the reports submitted to the City of North Little Rock, the Offeror agrees not to publish, reproduce or otherwise divulge such information in whole or in part, in any manner or form or authorize or permit others to do so, taking such reasonable measures as are necessary to restrict access to the information, while in the Offeror's staff who must have the information on a "need-to-know" basis. The Offeror agrees to immediately notify, in writing, the City of North Little Rock's authorized representatives in the event the Offeror determines or has reason to suspect a breach of this requirement.

J. AICPA Professional Standards

The AICPA Professional Standards state:

Ethics Interpretation 501-3 - Failure to follow standards and/or procedures or other requirements in governmental audits. Engagements for audit of government grants, government units or other recipients of government monies typically require that such audits be in compliance with government audit standards, guides, procedures, statutes, rules and regulations, in addition to generally accepted auditing standards, he/she is obligated to follow such requirements. Failure to do so is an act discreditable to the profession in violation of Rule 501, unless the member discloses in his report the fact that such requirements were not followed and the reasons therefore.

III OFFEROR'S TECHNICAL QUALIFICATIONS

The Offeror, in its proposal, shall, as minimum, include the following:

A. Prior Auditing Experience

The Offeror should describe its prior auditing experience, including the names, addresses, contact person, and telephone numbers of prior organizations audited. Experience should include the following categories:

1. Prior experience auditing FAA Grants.
2. Prior experience auditing similar programs funded by HUD Grants.
3. Prior experience auditing programs financed by the Federal Government.
4. Prior experience auditing similar county or local government activities.
5. Prior experience auditing nonprofit organizations.

B. Organization, Size, and Structure

The Offeror should describe the qualifications of staff to be assigned to the audits. Descriptions should include:

1. Audit team makeup.
2. Overall supervision to be exercised.
3. Prior experience of the individual audit team members.

Only include resumes of staff to be assigned to the audits. Education, position in firm, years and types of experience, continuing professional education, state(s) in which licensed as a CPA, etc. will be considered.

C. Understanding of Work to be Performed

The Offeror should describe its understanding of work to be performed, including audit procedures, estimated hours, and other pertinent information.

IV PROPOSAL EVALUATION

A. Submission of Proposals

All proposals shall include three (3) copies of the Offeror's technical qualifications and three (3) copies of the pricing information. These documents will become part of the contract.

B. Non-responsible Proposals

Proposals may be judged non-responsive and removed from further consideration if any of the following occur:

1. The proposal is not received timely in accordance with the terms of this RFP.
2. The proposal does not follow the specified format.
3. The proposal does not include Certifications.

C. Review Process

The City of North Little Rock may, at its discretion, request presentations by or meetings with any or all Offeror's to clarify or negotiate modifications to the Offeror's proposals.

However, the City of North Little Rock reserves the right to make an award without further discussion of the proposals submitted. Therefore, proposals should be submitted initially on the most favorable terms, from both technical and price standpoints, which the Offeror can propose.

V. CERTIFICATIONS

On Behalf of the Offeror:

- A. The individual signing certifies that he/she is authorized to contract on behalf of the Offeror.
- B. The individual signing certifies that the Offeror is not involved in any agreement to pay money or other consideration for execution of this agreement, other than to an employee of the Offeror.
- C. The individual signing certifies that the price in this proposal has been arrived at independently, without consultation, communication, or agreement for the purpose of restricting competition.
- D. The individual signing certifies that the prices quoted in this proposal have not been knowingly disclosed by the Offeror prior to an award to any other Offeror or potential Offeror.
- E. The individual signing certifies that there has been no attempt by the Offeror to discourage any potential Offeror from submitting a proposal.
- F. The individual signing certifies that the Offeror is a properly licensed certified public accountant.
- G. The individual signing certifies that the Offeror meets the independence standards of the Government Audit Standards - Standards for Audit of Governmental Organizations, Programs, Activities, and Functions (1988 Revision).
- H. The individual signing certifies that he/she is aware of and will comply with the GAO Continuing Education Requirements of the Arkansas Society and American Institute of Certified Public Accountants.
- I. The individual signing certifies that he/she has read and understands the following publications relative to the proposed audit:
 1. Government Audit Standards - Standards for Audit of Governmental Organizations, Programs, Activities, and Functions (1988 Revision) (Yellow Book)
 2. Guidelines for Financial and Compliance Audits of Federally Assisted Programs (February 1985) (Red Book)
 3. Compliance Supplement for Single Audits of State and Local Governments (April 1985) (Green Book)

4. OMB Circular A-102, "Uniform Administrative Requirements for Grants-In-Aid to State and Local Government", including the Common Rule (March 1988)
5. OMB Circular A-87, "Cost Principles for State and Local Governments" (January 1981)
6. Relevant SAS and other authoritative pronouncements.
7. OMB Circular A-133 "Audits of States, Local Government and Non-Profit Organizations"

J. The individual signing certifies that he/she has read and understands all of the information in this Request for Proposal, including the information on the programs/grants/contracts to be audited.

K. The individual signing certifies that the Offeror and any individual to be assigned to the audits do not have a record of substandard audit work. (If the Offeror or any individual to be assigned to the audit has been found in violation of any state or AICPA professional standards, this information must be disclosed.)

Dated this _____ day of _____, 2015.

Offeror's Firm Name

Signature of Offeror's Representative

(Printed Name and Title of Individual Signing)

**TERMS AND STANDARD CONDITIONS
CITY OF NORTH LITTLE ROCK, ARKANSAS**

PLEASE READ CAREFULLY

1. When submitting an "Invitation to Bid," the bidder warrants that the commodities covered by the bid shall be free from defects in material and workmanship under normal use and service. In addition, bidder must deliver new commodities of the latest design and model, unless otherwise specified in the "Invitation to Bid."
2. Prices quoted are to be net process, and when an error is made in extending total prices, the City may accept the bid for the lesser amount whether reflected by extension or by the correct multiple of the unit price.
3. Discounts offered will be taken when the City qualifies for such. The beginning date for computing discounts will be the date of invoice or the date of delivery and acceptance, whichever is later.
4. When bidding other than the brand and/or model specified in the "Invitation to Bid," the brand and/or model number must be stated by that item in the "Invitation to Bid," and descriptive literature be submitted with the bid.
5. The City reserves the right to reject any and all bids.
6. The Purchasing office reserves the right to award items, all or none, or by line item(s).
7. Quality, time and probability of performance may be factors in making an award.
8. Bid quotes submitted will remain firm for 30 calendar days from bid opening date; however, the prices may remain firm for a longer period of time if mutually agreeable between bidder and the Commerce Department.
9. Bidder must submit a completed signed copy of the front page of the "Invitation to Bid" and must submit any other information required in the "Invitation to Bid."
10. In the event a contract is entered into pursuant to the "Invitation to Bid," the bidder shall not discriminate against any qualified employee or qualified applicant for employment because of race, sex, color, creed, national origin or ancestry. The bidder must include in any and all subcontracts a provision similar to the above.
11. Sales or use tax is not to be included in the bid price, but is to be added by the vendor to the invoice billing to the City. Although use tax is not to be included in this bid, vendors are to register and pay tax direct to the Arkansas State Revenue Department.
12. Prices quoted shall be "Free on Board" (F.O.B.) to destination at designated facility in North Little Rock. Charges may not be added after the bid is opened.
13. In the event of two or more identical low bids, the contract may be awarded arbitrarily or for any reason to any of such bidders or split in any proportion between them at the discretion of the Commerce Department.
14. Specifications furnished with this Invitation are intended to establish a desired quality or performance level, or other minimum dimensions and capacities, which will provide the best product available at the lowest possible price. Other than designated brands and/or models approved as equal to designated products shall receive an equal consideration.
15. Samples of items when required, must be furnished free, and, if not called for within 30 days from date of bid opening, will become property of the City.
16. Bids will not be considered if they are: 1. Submitted after the bid's opening time. 2. Submitted electronically or faxed (unless authorized by Purchasing Agent).
17. Guarantees and warranties should be submitted with the bid, as they may be a consideration in making an award.
18. **CONSTRUCTION**
 - A. Contractor is to supply the City with evidence of having and maintaining proper and complete insurance, specifically Workman's Compensation Insurance in accordance with the laws of the State of Arkansas, Public Liability and Property Damage. All premiums and cost shall be paid by the Contractor. In no way will the City be responsible in case of accident.
 - B. When noted, a Certified check or bid bond in the amount of 5% of total bid shall accompany bid.
 - C. A Performance Bond equaling the total amount of any bid exceeding \$10,000.00 must be provided for any contract for the repair, alteration or erection of any public building, public structure or public improvement (pursuant to Act 351 or 1953 as amended by Act 539 of 1979).
19. **LIQUIDATED DAMAGES** - Liquidated damages shall be assessed beginning on the first day following the maximum delivery or completion time entered on this bid form and/or provided for by the plans and specifications.
20. **AMBIGUITY IN BID** - Any ambiguity in any bid as the result of omission, error, lack of clarity or non-compliance by the bidder with specifications, instructions, and all conditions of bidding shall be construed in the light most favorable to the City.
21. The bid number should be stated on the face of the sealed bid envelope. If it is not, the envelope will have to be opened to identify.
22. Whenever a bid is sought seeking a source of supply for a specified period of time for materials and services, the quantities of usage shown are estimated ONLY. No guarantee or warranty is given or implied by the participants as to the total amount that may or may not be purchased from any resulting contracts. These quantities are for the bidders information ONLY and will be used for tabulation and presentation of bid and the participant reserves the right to increase or decrease quantities as required.
23. The City of North Little Rock reserves the right to reject any and all bids, to accept in whole or in part, to waive any informalities in bids received, to accept bids on materials or equipment with variations from specifications in those cases where efficiency of operation will not be impaired, and unless otherwise specified by the bidder, to accept any item in the bid. If unit prices and extensions thereof do not coincide, the City of North Little Rock may accept the bid for the lesser amount whether reflected by the extension or by the correct multiple of the unit price.
24. Additional information or bid forms may be obtained from:
COMMERCE DEPARTMENT, 120 Main Street, P.O. Box 5757, North Little Rock, Arkansas 72119 (501) 975-8881 www.nlr.ar.gov

Bidding documents must be submitted on or before the bid's opening date and time. Unless noted, sealed bids must be submitted to the Commerce Department at 120 Main Street, North Little Rock, AR 72114 or PO Box 5757, North Little Rock, AR 72119